

KEYSPAN ENERGY DELIVERY
D.T.E. 05-71

FIRST SET OF INFORMATION REQUESTS OF THE DEPARTMENT OF
TELECOMMUNICATIONS AND ENERGY TO KEYSPAN ENERGY DELIVERY

Respondent: Amery S. Pore; Ann E. Leary
Date: December 22, 2005

Information Request DTE 1-2

- Q. Please give a complete and detailed explanation as to why KeySpan's RCS surcharge for the Essex Gas service territory is nearly two times greater than that approved by the Department for CY 2005.
- A. The proposed 2006 surcharge for Essex Gas Company has increased \$.04 from the approved CY 2005 surcharge due to a \$19,434 increase in the 2006 projected budget for Essex and a \$7,062 increase in the prior year reconciliation balance. Although the 2006 total KeySpan RCS budget has not changed, the amount allocated to Essex has increased. This increase reflects the percentage increase for 2006 in the projected number of customers in the Essex service territory versus the Company's overall Massachusetts service territory. In CY 2005 only 3.7 percent of the KeySpan budget was allocated to Essex versus 6.1 percent in CY 2006. In addition, the CY 2005 factor included a \$1,317 overcollection for the period 1982 through 2004 versus a \$5,745 undercollection for the period 1982 through 2005. This undercollection represents 26 percent of the 2006 increase.